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8 Nov 1950

1664-07000

SUBJECT: DTLINEN Budgetary and Reports Procedure

TO: Chief, VIKIVA
Frankfurt, Germany

ATTN:

RE: 1137-CHOW

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1. Transmitted for your information and guidance the accounting procedure for subject project established according to the provisions of Paragraph "b" of [redacted] regulations.

a. Subsidization of the organization commenced in April 1949 with an initial allotment of 11,000 for the fiscal year 1950. This allotment was subsequently amended in August to 125,000. The current allotment for the fiscal year 1951 is 125,000 together with a separate allotment of 100,000 DM's from [redacted] funds.

b. The organization has been extremely cooperative in its relationship with VIKIVA representatives to the point of disclosure of its financial position and activities. The organization has been willing to provide summary financial statements on a monthly basis, disclosing all funds received, disbursed and balances on hand. Since these funds constitute a commingling of VIKIVA funds and other monies available to the organization, detailed accountings for the disbursement of VIKIVA monies are not possible. The principal value of these reports is that they assist in the operational appraisal of the value and effectiveness of the activities of the organization and provide a basis for determining its need for funds.

c. It was the TRACUATE consensus that VIKIVA disbursements to this organization constitute a subsidy. TRACUATE agreed, after perusal of the financial reports of the organization and the operational reports disclosing the basis of payment of VIKIVA funds to the organization that all funds disbursed to date have been properly expended in accordance with the subsidy concept and are a proper charge to the expenses.

d. The specific plan for a financial statement established by TRACUATE is as follows:

1. That all payments to the organization be properly evidenced by receipts, if possible, or by certification as to payments by the field case officer if security or other factors preclude the securing of receipts.

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2. That separate vouchers for payments from VLKIVA and [] funds be prepared and be forwarded to headquarters, in accordance with instructions set forth in WUWU 1231, 17 August 1950.
3. That the VLKIVA field representatives make every effort compatible with operational considerations to secure monthly or quarterly financial statements from the organization, which will summarize revenue by sources and disbursements by appropriate categories, together with opening and closing balances of funds on hand. These statements should be forwarded to headquarters for review by the VLKIVA Operations Officer and retention in the project file.
4. That the Certifying Officer, Finance Division be authorized to write off to expense all subsidy payments reported in the monthly report of the field station, if adequately documented, as required in (1) above, without further review or approval.
5. That the Operations Officer submit to TRACUANT semi-annually, the financial reports of the organization, together with a brief evaluation of the worthwhileness of the subsidy and any other facts which may warrant alteration of the approved financial plan.
6. That all payments made prior to the implementation of this plan be considered approved for write-off to expense when the Certifying Officer is satisfied as to the adequacy of the data submitted by the field station, in support of the fact and amount of disbursement.
7. The Home Office appreciates the excellent role being played by UPLINEN in fulfilling the VLKIVA mission in Germany. However, reports to the Home Office on this subject have left informational gaps. For example, information on UPLINEN activities in GERMANY is lacking. In view of the considerable expansion of the project since its inception, it is requested that a monthly operational or gross report be submitted to the Home Office in addition to the financial statement called for in sub-paragraphs 2 and 3 of TRACUANT's established procedure. This operational report should include an account of significant operations accomplished during the month under review, details on projected plans, progress of on-going operations, samples of effectiveness where available, and a brief evaluation of overall performance for the month. Such regular operational reports will assist the Home Office in reporting progress and developments regarding this important operation.

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cc: OPC Registry 2

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